Q Where do you presently work, Mr. Adler?

A 9701 Wilshire Boulevard, Beverly Hills.

Q Is that the business address of a company?

A Yes, L.M.I. Ltd., which is my company.

Q You own that company?

A Yes.

Q What does L.M.I. stand for?

A Licensing and Merchandising International.

Q How many employees are there of that company?

A A secretary.

Q Is Miss Sifuentes an employee of that company?

A Oh, yes, of course. I'm sorry.

Q Do you have a formal title?

A Not as such. I open all the mail so it doesn't make that much difference.

Q What's the nature of this business?

A It's licensing and manufacturing for either personalities, celebrities, or conversely, working for manufacturers seeking tie-ins with celebrities or personalities or a trend or whatever happens to be popular at the time.

Q In your day-to-day conduct of this business, is it fair to say that you negotiate these licenses?

A Yes.

Q Does Miss Sifuentes also negotiate these licenses?

A Yes.

Q Do you have a division of responsibility between Miss Sifuentes and yourself?

A Essentially, no. She does her contacting and I do my contacting and from time to time we compare notes.

Q Do you do any work for Universal City Studios in your present business?

A No.

Q Do you have any business relationship with them?

A No.

Q Do you attempt to merchandize any of the properties of Universal City Studios?

A No. They have their own licensing department.

Q When did you leave Universal City Studios, Mr. Adler?

A I believe it was January or February of 1983.

Q I don't want to rehash all your prior testimony here, but could you briefly describe your position at Universal at the time you left?

A Yes, sure. I started the merchandising licensing department there in May of '72 and essentially administrated that department from 1972 through to approximately when I was in control of the area, when I made the final decisions, approximately through June, July of 1982.

Q When you say you started the merchandising department, is that merchandising department -- what is the name of that department?

A It's Merchandising Corporation of America.

Q And that's a separate, incorporated subsidiary of Universal City Studios?

A It's a wholly-owned subsidiary of MCA, Inc.

Q And you were vice-president of that subsidiary?

A Yes, I was.

Q And when you left Merchandising Corporation of America in January or February of '83, that is when you started your own business, L.M.I.; is that correct?

A Yes.

Q Why did you leave Universal?

A Oh, I think basically I was chafing under the bit. E.T. was very, very heavily merchandised. I was tired. I was interested in doing something else. I had been there for a total of 15 years and I thought that I think I might want to test my own wings.

Q Did you resign from Universal City Studios?

A Yes.

Q Between July of 1982 and the time you left Merchandising Corporation of America, who had ultimate responsibility for licensing decisions?

A Stan Newman.

Q And you reported directly to Mr. Newman?

also never went anywhere for "King Kong." I think it was Benton and Bowles. I don't even remember what the client contact was. Tiger Electronics, which is a deal that I was familiar with and did ultimately come into a license, I negotiated and at about the time of those contracts I called the law department and I asked whether or not we had the rights and I was assured we did and negotiated the deal. Which is standard operating procedure. Not being an attorney, I would call the law department to find out what rights in fact were available or did we have them, and that was it.

Q Was Miss Sifuentes given responsiblity with respect to these licenses of the "King Kong" property?

A In what respect?

Q Was she given responsibility for negotiating these licenses?

A I believe she was involved in negotiations, yes. We both were. We both negotiated, were involved in negotiating the Tiger license. I believe she was involved in the watch more so, the watch probe more so than I.

Q This was during the period when you were involved with the E.T. property; is that correct?

A I don't remember. I can't place the date. It was in the '80s, I know that. I can just think '81, something like that, possibly '82. I don't think it was much earlier than that. It was never a big property for us.

We never went out beating the bushes for it. It flew in over the transom, so to speak.

Q With respect to the potential license for a watch, can you fix the time when that inquiry was made more closely?

A I really can't.

Q Did you attend the Toy Fair in February 1982 in New York City?

A I'm just trying to think. Oh, February 1982? Yes, of course I was there. That's when we were pushing E.T.

Q And was Miss Sifuentes also present then?

A I believe she was.

Q Now were you and Miss Sifuentes approached at that Toy Fair with respect to this license for a watch?

A Again, I wish I could help you. I can't place it. I don't honestly remember. It might have been around that time. I just don't recall the precise time.

Q Does the name Dunbar Electronics refresh your recollection at all?

A I think that could be the name of the watch company, yes.

Q Do you recall that they approached you at the Toy Fair?

A I don't recall.

Q Do you recall any discussions with Dunbar

advised us that upon receiving this report she brought it to your attention and discussed it with you. Would you take a moment and look at it and tell me whether you recall it.

A I don't recall looking at it, no. But I looked at many of these things, I am sure that I looked at this.

Q In the normal course of business Miss Sifuentes would bring such a search to your attention?

A Yes.

Q Do you recall, Mr. Adler, whether any actions were taken with respect to any of the registrations revealed in this report?

A By "actions," you mean what?

Q Were any legal proceedings commenced?

A I don't recall any, no.

Q Were any of these --

A I don't think that was the purpose of this. As I say, in the normal course of business we would check it just to be prudent to find out who and what was out in the marketplace, and I don't think it precipitated any action.

Q Were any of the parties identified in the report contacted, to your knowledge?

A I couldn't tell you.

Q So your answer is no?

A I can't tell you. I just don't know. I certainly don't recall having anybody do it.

Q Why would Miss Sifuentes have been the person

Q Excuse me, your last answer was that he identified "King Kong" as a Coleco license. Did you mean "Donkey Kong"?

A I'm sorry, "Donkey Kong."

Q Do you recall approximately when that discussion took place?

A I don't. It's been a long time for me since this deposition. I have no files or anything on it and I didn't really devote a heck of a lot of time for it.

Q Would this have been before the toy fair in 1982?

A I don't recall. I wish I could help you. I don't recall the time.

Q Did you report your discussion with Mr. Kahn to anybody at Universal?

A I don't think so.

Q Were you discussing other business matters with Mr. Kahn at that time?

A Yes.

Q What business matters were those?

A I believe E.T. was one of them. I had a relationship with Al. It wasn't as if I just picked up the phone and suddenly called him. We used to talk over a period of time as a major manufacturer. I would normally be in contact with him when they had a good property that I thought would be appropriate as a license. I believe the time that

I had spoken with him when I had heard this was around the time we were talking about E.T. as a license possibility for Coleco.

Q I'm sorry, could you set that time any more definitely? You don't mean that entire span, do you, that you identified previously?

A Which entire span?

Q You told me that you were involved with E.T. for almost a 12-month period.

A I was. I wish I could be more precise. I don't know. I believe it was E.T. that I had spoken to him about. Yes, I'm pretty sure it was E.T. I can't set a date for you. I wish I could.

Q Was Coleco one of the first potential licensees you spoke to with respect to E.T.?

A I don't remember.

Q Do you recall whether this discussion with Mr. Kahn took place before negotiations began between Universal and Coleco with respect to "Donkey Kong"?

A I don't know anything about negotiations on "Donkey Kong."

Q In your prior session of this deposition, Mr. Adler, you identified an agreement with Coleco as one of the licenses of "King Kong." Do you recall that?

A Could have. I don't think I was involved in negotiations for that, though.

Q It is your testimony that you never discussed the "Donkey Kong" property with Mr. Newman?

A I don't recall discussing it with Mr. Newman, no.

Q Do you recall discussions with Miss Sifuentes about the "Donkey Kong" property?

A I don't remember.

Q Do you recall ever going with Miss Sifuentes to view a "Donkey Kong" game?

A Yes.

Q When did that happen?

A That occurred when the gentleman from Seattle came down, the attorney, I think. Was it the attorney? I think it was when the attorney came down we went to a local store. I think we went to a Sears, Roebuck or something and saw it.

Q Had you been aware of "Donkey Kong" before then?

A As an arcade game, yes.

Q Had you seen it in the arcades?

A Don't remember whether it was before or afterward. I was aware of it. I don't know when I first became aware of it.

Q Had you had discussions with Miss Sifuentes about the "Donkey Kong" arcade game?

A I beg your pardon.